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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/071,066	04/12/2002	Richard C Johnson	ORCL5595CIP	3384
53156	7590	10/04/2006	EXAMINER	
YOUNG LAW FIRM, P.C. 4370 ALPINE RD. STE. 106 PORTOLA VALLEY, CA 94028			HEWITT II, CALVIN L	
			ART UNIT	PAPER NUMBER
			3621	

DATE MAILED: 10/04/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	10/071,066	JOHNSON, RICHARD C	
	Examiner	Art Unit	
	Calvin L. Hewitt II	3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 14 July 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-43 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-43 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>6/19/06 / 7/17/06</u> | 6) <input type="checkbox"/> Other: _____ |

Status of Claims

1. Claims 1-43 have been examined.

Response to Arguments

2. Applicant is of the opinion that claimed limitations prefaced by the terms “when” or “upon” are not optional as they serve to indicate that “payment on the draft is released to the drawee only when (“upon”) the predetermined terms are satisfied” (Remarks, 7-14-06, page 11, lines 6-7). The Examiner respectfully disagrees with Applicant’s assessment. Claim 1, for example, is silent regarding how Applicant’s method is to perform when the conditions are not satisfied. Conditional or optional language necessarily comprise at least two events, the “if” and the “if not”. Hence, in the “if not” scenario, the releasing of the payment does not occur and therefore the “releasing payment on the draft” is optional as it does not have to occur.

The Examiner maintains the 112 rejections applied to Applicant’s claims. Applicant discloses several types of drafts (e.g. a traditional “draft”, IDraftC, Idraft, iLofC), however, not all drafts function according to the claims as they are written. For example, only the IDraftC has contingencies (Specification, page 37,

lines 16-21), while IDrafts are linked to letters of credit (Specification, page 55, lines 13-20) and traditional "drafts" are not (Specification, page/line 16/17-17/20). Regarding the configuration of the secure computer site, while the Examiner agrees that the seller lacks access to the letter of credit, the Examiner's does not see how the computer site from preventing a seller from determining the mere existence of a letter of credit.

Applicant is of the opinion that the prior art does not disclose a secure computer site that shows a draft. The Examiner respectfully disagrees. Abecassis teaches a computer site protected by special cards, PINs, passwords and access codes (column 5, lines 1-25; column 6, lines 8-16; column 8, lines 54-58; column/line 10/59-11/11), therefore to one of ordinary skill the site is secure. Regarding what is shown at these computer sites, the Examiner has asserted that computer sites that show drafts are old and well known. Hence, the prior art clearly obviates Applicant's claimed computer site. The Examiner would also like to point out that in order to be shown on a computer display, the draft has to be stored in computer memory. However, according to the MPEP (MPEP 2100-21,22) a method that differs from the prior art only with respect to nonfunctional descriptive material that cannot alter how the process steps are to be performed to achieve the utility of the invention. The showing of the draft is not a method step and subsequent method steps are not affected by what is shown on a computer screen at a computer site. Thus, as the supposed

difference between the prior art and the claimed invention is simply a rearrangement of nonfunctional descriptive material what is shown at a claimed computer site will not distinguish the claims from the prior art.

Regarding the teachings of Case, the Examiner only relied on the reference to teach Applicant's relationship between a letter of credit and a draft. Specifically, Case teaches a letter of credit with specific terms such that upon satisfaction of the terms at least part of the payment for the draft is released from the letter of credit to honor the draft (abstract; column 1, lines 13-25 and 59-65; column 4, lines 38-59; column 5, lines 20-29).

On page 20, second full paragraph ("The Office, in its rejection...") of the Remark section, dated 7-14-06, Applicant describes claim 24. However, to one of ordinary skill the only differences between the claims and a prior art performance bond are the authentication of parties of a transaction. Ogilvie teaches authenticating parties to an escrowed transaction (column 20, lines 40-56), therefore the prior art again combines to obviate Applicant's claimed method.

The following assertion of facts have gone unchallenged and are considered admitted prior art:

- storing received checks for future retrieval and display at a computer site
- processing fees
- performance bonds

Claim Rejections - 35 USC § 112

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 1-23, and 38 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Claim 1 recites "a computer site that shows the draft". Applicant defines a draft as a written order by a drawer, instructing a drawee to make a payment to a payee (Specification, page 16, lines 17-21), however not all types of "drafts" are shown at a secure computer site.

Claims 2-23 are also rejected as they depend from claim 1.

Claims 14 and 38 recite keeping the existence of a first letter of credit from a drawee. However, to one of ordinary skill, a seller (i.e. drawee) engaged in a commercial transaction with a buyer (i.e. drawer) using Applicant's system has knowledge of such a letter as the seller relies on Applicant's system to guarantee payment (Specification, page/line 52/7-53/17).

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 1-43 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1 and 24 recite the term "draft". Applicant's Specification however, refers to several types of "drafts". Specifically, Applicant refers to a traditional "draft" (Specification, page/line 16/17-17/20), an IDraftC (Specification, page 37, lines 7-11; page/line 37/11-38/6) and an IDraft (Specification, page 37, lines 7-11; page/line 37/11-38/6). However, it has been held that claims an essential purpose of patent examination is to fashion claims that are precise, clear, correct, and unambiguous (*In re Zletz*, 893 F.2d 319, 321-22, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989)). Therefore, as Applicant hasn't identified the type of draft being referred to in the claims and that each draft type possesses characteristics not found in other draft types the scope of the claim is unclear. For example, only an "IDraftC" has contingencies or terms (Specification, page 37, lines 16-21), and IDrafts (i.e. IDraftC, IDraft) (Specification, page 55, lines 13-20) are linked to letters of credit while a "draft" (Specification, page/line 16/17-17/20) is not.

Claims 2-23, and 25-43 are also rejected as each depends from either claim 1 or 24.

Claims 14 and 38 recite keeping the existence of a first letter of credit from a drawee. However, to one of ordinary skill, a seller (i.e. drawee) engaged in a commercial transaction with a buyer (i.e. drawer) using Applicant's system has knowledge of such a letter as the seller relies on Applicant's system to guarantee payment (Specification, page/line 52/7-53/17).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Abecassis, U.S. Patent No. 5,426,281 in view of Ogilvie, U.S. Patent No. 6,343,738 and Case, U.S. Patent No. 4,017,101.

As per claims 1-43, Abecassis teaches transaction system that includes payment via a secure electronic draft comprising:

- establishing a secure computer site, controlled by a financial service provider, that includes a draft (e.g. card or check) (abstract; figure 1A; column/line 5/65-6/35; column 7, lines 5-34; column/line 7/60-8/8)

- releasing payment on the draft to a drawee of the draft, upon removal of contingency (e.g. performance of services, date restrictions, etc.), at least a portion of the released payment originating from a fund source (column 7, lines 50-60; column 8, lines 17-40)
- sequestering funds at least equal to a portion of the payment of the draft (abstract; column 6, lines 8-16; column 7, lines 5-34)
- a secure computer site configured to keep a drawee from the buyer fund source (figures 1A and B; column 7, lines 50-60; column 8, lines 17-40)

More specifically, a seller cannot access and does not have knowledge of the existence of the buyer fund source. According to Abecassis, while a seller can access the secure computer site (column 5, lines 10-24; column 11, lines 55-60) the seller on the other hand cannot use the website to access the buyer's source of funds (e.g. letter of credit) (figure 1A; column/line 8/54-9/4). Abecassis teaches using any suitable conditions to define a successful transaction [claims 7, 23, 32 and 42]. Therefore, the prior art suggests to one of ordinary skill the use of a time limit in order to prevent fraudulent transactions services. Regarding the showing of a draft, Abecassis discloses depositing funds into an account by check

(column 7, lines 5-11). However, storing received checks for future retrieval and display at a computer site is old and well known, therefore it would have been obvious to one of ordinary skill to implement the third party of Abecassis with electronic check storage in order to more efficiently store, retrieve and further process received documents such as checks. Regarding processing fees, fees are old and well-known and an obvious method for generating revenues [claims 8, 9, 12, 33, and 34]. Similarly, performance bonds are old and well-known, therefore it would have been obvious to one of ordinary skill to provide a buyer with protection mechanism to help guarantee satisfactory provision of goods and services [claims 15-20, 24, and 39]. Abecassis does not specifically recite authenticating drawer and drawee. Ogilvie teaches authenticating parties to an escrowed transaction (column 20, lines 40-56). However, neither Abecassis nor Ogilvie specifically recite releasing payment on a draft wherein at least a portion of the payment is from a letter of credit wherein the letter of credit has terms such that the satisfaction of the terms results in the releasing of payment from the letter of credit. Case teaches a letter of credit device comprising a letter of credit card (figure 1), a draft (figure 3) and predetermined terms (e.g. irrevocable or revocable, effective for a time) (figure 2) associated with the letter of credit such that upon satisfaction of the terms at least part of the payment for the draft is released from the letter of credit (increases value of the drawer's funds, effective for single or multiple transactions) to honor the draft (abstract; column 1, lines 13-

25 and 59-65; column 4, lines 38-59; column 5, lines 20-29). Therefore, it would have been obvious to one of ordinary skill to combine the prior art teachings in order to protect drawer and drawee private information ('738, column 20, lines 40-48) and to enable a drawer (e.g. traveler) to make a purchase using the system of Abecassis ('281, abstract) while remote from the drawer's issuing bank ('101, column 17-32).

Conclusion

9. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

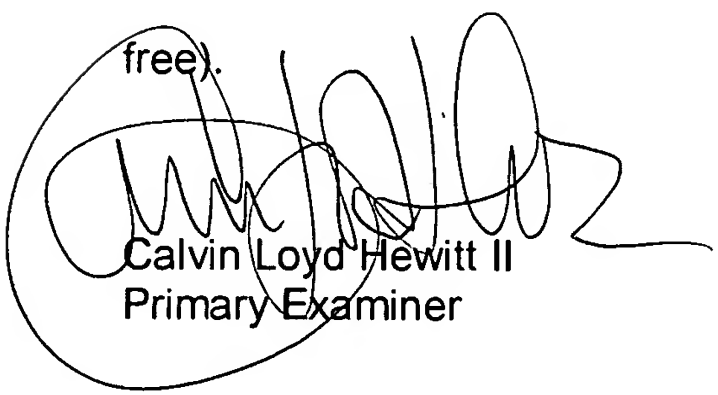
A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

10. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Calvin Loyd Hewitt II whose telephone number is (571) 272-6709. The Examiner can normally be reached on Monday-Friday from 8:30 AM-5:00 PM.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Andrew Fischer, can be reached at (571) 272-6779.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-

free).



Calvin Loyd Hewitt II
Primary Examiner

September 20, 2006